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Attorneys for Creditor,
Stanley Consultants, Inc.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

Case No. BK-S-09-14814-LBR

THE RHODES COMPANIES, LLC,

Chapter 11

Debtor.

Affects:

- ☒ All Debtors
☐ Affects the following Debtor(s),

Apache Framing, LLC
Batcave, LP
Bravo, Inc.
Chalkline, LP
Elkhorn Partners, a Nevada LP
Geronimo Plumbing, LLC
Glynda, LP
Gung-Ho Concrete, LLC
Heritage Land Company LLC
Jackknife, LP
Overflow, LP
Parcel 20, LLC
Pinnacle Grading, LLC
Rhodes Homes Arizona, LLC
Rhodes Arizona Properties, LLC
The Rhodes Companies, LLC
Rhodes Ranch Golf Country Club, LLC
Rhodes Ranch General Partnership
Six Feathers Holdings, LLC
Tribes Holdings, LLC
Tick, LP
Tuscany Golf Country Club, LLC
Wallboard, LP

**STANLEY CONSULTANTS, INC.'S
OBJECTION TO THE FIRST LIEN
STEERING COMMITTEE'S PROPOSED
FINDINGS OF FACT, CONCLUSIONS OF
LAW, AND ORDER CONFIRMING THE
FIRST LIEN STEERING COMMITTEE'S
THIRD AMENDED MODIFIED PLAN
(DOC 1026)**

1 Stanley Consultants, Inc. objects to the First Lien Steering Committee's Proposed Findings
 2 of Fact, Conclusions of Law, and Order Confirming the First Lien Steering Committee's Third
 3 Amended Modified Plan filed on February 19, 2010 (Doc 1026), attaching as Exhibit A, a revised
 4 Third Amended Modified Plan ("Revised Plan"), pursuant to Local Rule 9021(A)(3).

5 As an initial matter, Stanley notes that it filed an Objection (Doc 1015) to the First Steering
 6 Committee's Third Amended Modified Plan (Doc 1013), filed on February 18, 2010; no proposed
 7 order was filed by the First Lien Steering Committee in conjunction with the Third Amended
 8 Modified Plan. *See Doc 1013*. On February 19, 2010, the First Lien Steering Committee filed its
 9 Reply to Stanley's Objection (Doc 1019) and filed the subject Proposed Findings of Fact,
 10 Conclusions of Law, and Order Confirming the First Lien Steering Committee's Third Amended
 11 Modified Plan (Doc 1026). Attached as Exhibit A to the Proposed Order is a revised Third
 12 Amended Modified Plan that incorporates some but not all of Stanley's objections to the Third
 13 Amended Plan. *See First Lien Steering Committee's Reply to Stanley's Objection to Third*
 14 *Amended Modified Plan (Doc 1019)*.

15 As such, Stanley incorporates by reference its previous Objections to the First Lien
 16 Steering Committee Third Amended Modified Plan (Doc 1015), reasserts those objections as well
 17 as the below objections to Exhibit A to the Proposed Order (the revised Third Amended Modified
 18 Plan) based upon the following provision in the Revised Plan attached as Exhibit A to the
 19 Proposed Order:

20 "The Arizona Assets include certain intellectual property in which Stanley Consultants,
 21 Inc. has alleged a property interest. Notwithstanding the fact that the Arizona Assets include such
 22 intellectual property, the Debtors shall not be permitted to transfer or sell any intellectual property
 23 in which they do not have an ownership interest." *Order, Exhibit A, Third Amended Plan, Art. IV,*
 24 *§U, at 34 (last paragraph)*.

25 First, Stanley objects to this language because, as drafted, the language appears to state that
 26 the Arizona Assets includes Stanley's intellectual property rights. The language is ambiguous.
 27 Stanley requests the revised Plan clearly state that Stanley's intellectual property rights are not
 28 included in the Arizona Assets. Stanley proposes that the language be revised to: "The Arizona

1 Assets do not include any intellectual property rights in which Stanley Consultants, Inc. has
2 alleged a property interest.”

3 Second, Stanley’s intellectual property rights include not only engineering plans that
4 Stanley prepared and copyrighted, but also subsequent plans, drawings, work product prepared by
5 third parties that relied upon and/or used Stanley’s intellectual property. In seeking clarification as
6 to what intellectual property is to be included in the “Arizona Assets”, Stanley requested that the
7 First Lien Steering Committee identify the intellectual property to be included in the Arizona
8 Assets. *See Stanley’s Objection (Doc 1015), exhibit 1.* Stanley’s concern arose upon the First
9 Lien Steering Committee forwarding to Stanley a proposed list of the “Arizona Assets” (“Arizona
10 Assets List”), attached hereto as Exhibit 1 (“Arizona Assets”). The proposed Arizona Assets
11 include such “Intangibles” as “All architectural and engineering drawings, plus work product
12 associated with Pravada and Golden Valley Ranch.” *Id.*, at 3.

13 Rather than disclosing what constituted the “engineering drawings plus work product
14 associated with Pravada and Golden Valley Ranch”, the First Lien Steering Committee elected to
15 withdraw the proposed Arizona Asset List, opting to replace it with the following language in
16 Exhibit A: “Approximately 1,400 acres of land in Arizona, including four model homes, four
17 partially-completed homes, and miscellaneous office equipment and other items of personal
18 property including certain intellectual property.” *See Order, Exhibit A, Revised Plan, Art. I, §A,*
19 *Item #7, Arizona Assets Definition, p. 3.*

20 The First Lien Steering Committee’s withdrawal of the Arizona Assets List and
21 substitution of the above language does not solve the fundamental problem that Stanley’s
22 intellectual property may be included in the Arizona Assets given that:

23 (1) Stanley prepared engineering drawings and work product associated with Pravada
24 and Golden Valley Ranch and Stanley owns that intellectual property work. As the Court is
25 aware, Stanley has objected, repeatedly, to any of its intellectual property work being included in
26 the Arizona Assets, providing the Court with Stanley’s Copyrights as an exhibit to Stanley’s
27 Objection to Disclosure Statement (Doc 975). Thus, the Arizona Assets appears to include
28 Stanley’s intellectual property.

1 (2) Stanley is concerned that the Rhodes Entities had third parties use Stanley's
2 intellectual property to prepare follow-up plans and work product associated with Pravada and
3 Golden Valley Ranch. If so, then Stanley's intellectual property rights extend to that third party
4 work.

5 Consequently, Stanley requests that the Court order that all of the engineering drawings/
6 plans/work product that are to be included as intellectual property of the Arizona Assets be fully
7 and specifically disclosed so that Stanley can determine whether any of its intellectual property
8 rights are going to be transferred as part of the Arizona Assets. Given the uncertainty that exists
9 with respect to what intellectual property rights are included within the Arizona Assets, the
10 Exhibit A to the proposed Order are inadequate and ambiguous.

11 Finally, Stanley further objects to the Order attaching the Revised Plan as it still does set
12 forth the parcels to be included in the Arizona Assets. Stanley performed services relating to
13 different parcels in Arizona.

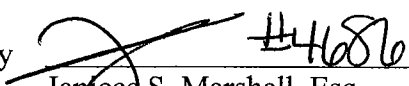
14 For the above reasons, Stanley objects to the proposed Order based upon Exhibit A to the
15 Order, the revised Third Amended Modified Plan.

16 February 23, 2010

17 Respectfully submitted,

18 ANDERSON, McPHARLIN & CONNERS LLP

19
20 By


Jamece S. Marshall, Esq.
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CERTIFICATE OF SERVICE VIA ELECTRONIC MAIL

I am employed in Clark County. I am over the age of 18 years and not a party to this action. My business address is Anderson, McPharlin & Connors LLP, 777 North Rainbow Boulevard, Suite 145, Las Vegas, Nevada 89107.

I hereby certify that on this 23rd day February 2010, I did serve, via Electronic Mail by the ECF system (a copy of the U.S. Bankruptcy Court's ECF service list is attached), a copy of the above and foregoing **STANLEY CONSULTANTS, INC.'S OBJECTION TO PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THE FIRST LIEN STEERING COMMITTEE'S THIRD AMENDED MODIFIED PLAN (DOC 1026)** as follows:

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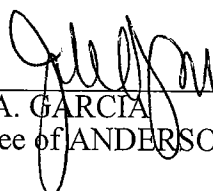
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I declare under penalty of perjury that the foregoing is true and correct. Executed this 23rd day of February, 2010.



JULIE A. GARCIA
Employee of ANDERSON, McPHARLIN & CONNERS LLP

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